

**ACKERMAN INSTITUTE
FOR THE FAMILY**

**Financial Statements
for the year ended
June 30, 2019
(with summarized
comparative information for 2018)**

Independent Auditor's Report

To the Board of Directors of
Ackerman Institute for the Family

We have audited the accompanying financial statements of the Ackerman Institute for the Family which comprise the statement of financial position as of June 30, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph on the previous page present fairly, in all material respects, the financial position of Ackerman Institute for the Family as of June 30, 2019 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Ackerman Institute for the Family's 2018 financial statements, and our report dated December 18, 2018, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented as of and for the year ended June 30, 2018 is consistent, in all material respects, with the financial statements from which it has been derived.

Caroline O'Meara McElroy & Donnelly LLP

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Financial Position
June 30, 2019 and June 30, 2018

Assets

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Current assets				
Cash and cash equivalents	\$ 1,186,049	\$ 854,537	\$ 2,040,586	\$ 878,984
Investments, at fair value	6,728,749	4,843,083	11,571,832	4,715,131
Accounts receivable, net	480,748	-	480,748	-
Contributions receivable	145,100	62,000	207,100	58,000
Prepaid expenses and other assets	182,303	-	182,303	-
Total current assets	8,722,949	5,759,620	14,482,569	5,652,115
Contributions receivable, net of current portion	-	16,000	16,000	70,000
Property and equipment, at cost, net of accumulated depreciation	9,669,255	-	9,669,255	-
Deferred compensation	109,445	-	109,445	-
Total assets	\$ 18,501,649	\$ 5,775,620	\$ 24,277,269	\$ 5,722,115

Liabilities and Net Assets

Current liabilities				
Accounts payable and accrued expenses	\$ 129,412	\$ -	\$ 129,412	\$ -
Accrued salaries and payroll taxes	54,389	-	54,389	-
Deferred tuition and fees revenue	83,455	-	83,455	-
Total current liabilities	267,256	-	267,256	-
Deferred compensation	109,445	-	109,445	-
Total liabilities	376,701	-	376,701	-
Net assets				
Without donor restrictions	1,215,987	-	1,215,987	-
Operating	7,239,706	-	7,239,706	-
Board-designated fund	8,455,693	-	8,455,693	-
Sub-total				
Net investment in property and equipment	9,669,255	-	9,669,255	-
Total without donor restrictions	18,124,948	-	18,124,948	-
With donor restrictions	-	5,775,620	5,775,620	5,722,115
Total net assets	18,124,948	5,775,620	23,900,568	5,722,115
Total liabilities and net assets	\$ 18,501,649	\$ 5,775,620	\$ 24,277,269	\$ 5,722,115

ACKERMAN INSTITUTE FOR THE FAMILY

**Statement of Activities
For the Years Ended June 30, 2019 and June 30, 2018**

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
Revenue and support				
Grants and contributions	\$ 831,108	\$ 193,924	\$ 1,025,032	\$ 326,421
Special events, net of direct expenses of \$298,029 in 2019 and \$281,587 in 2018	746,457	-	746,457	-
Patient services	678,579	-	678,579	-
Tuition and fees	1,089,741	-	1,089,741	-
Rental	113,013	-	113,013	-
Investment return, net	186,754	340,707	527,461	514,011
Miscellaneous	7,200	-	7,200	-
Net assets released from restrictions	513,260	(513,260)	-	(420,523)
Total revenue and support	4,166,112	21,371	4,187,483	419,909
Expenses				
Program services				
Clinical services	1,034,596	-	1,034,596	-
Education and workshops	3,149,747	-	3,149,747	-
Total program services	4,184,343	-	4,184,343	-
Supporting activities				
Management and general	530,258	-	530,258	-
Fundraising	380,441	-	380,441	-
Total supporting activities	910,699	-	910,699	-
Total expenses	5,095,042	-	5,095,042	-
Increase (decrease) from operating activities before unrealized gain (loss) on investments	(928,930)	21,371	(907,559)	419,909
Unrealized gain (loss) on investments	400,910	32,134	433,044	(406,960)
Increase (decrease) in net assets	(528,020)	53,505	(474,515)	(172,867)
Net assets, beginning of year	18,652,968	5,722,115	24,375,083	5,709,166
Net assets, end of year	\$ 18,124,948	\$ 5,775,620	\$ 23,900,568	\$ 5,722,115

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

**Statement of Functional Expenses
For the Year Ended June 30, 2019
(With Summarized Comparative Information for the Year Ended June 30, 2018)**

	2019					2018
	Program Services		Supporting Activities			Total
	Clinical Services	Education and Workshops	Total Program Services	Management and General	Fundraising	
Expenses						
Salaries	\$ 649,006	\$ 1,729,583	\$ 2,378,589	\$ 188,492	\$ 239,316	\$ 2,806,397
Payroll taxes and fringe benefits	131,581	313,567	445,148	34,200	43,347	522,695
Honorariums and research	36,285	333,896	370,181	368	776	371,325
Building maintenance and utilities	42,877	139,866	182,743	58,829	20,273	261,845
Professional fees and consulting	50,032	117,281	167,313	28,650	9,872	205,835
Materials and office supplies	14,678	55,077	69,755	14,482	12,720	96,957
Computer system	22,671	37,448	60,119	13,497	9,917	83,533
Insurance	8,745	28,526	37,271	11,998	4,135	53,404
Equipment and other leasing	3,738	12,193	15,931	5,128	1,767	22,826
Telephone	3,515	11,778	15,293	4,824	1,662	21,779
Travel, meals, conferences and meetings	4,352	134,884	139,236	3,751	2,264	145,251
Printing, postage, mailing and advertising	543	12,902	13,445	587	3,100	17,132
Credit card and finance charges	392	641	1,033	74,647	-	75,680
Miscellaneous	904	9,167	10,071	1,240	428	11,739
Total expenses before depreciation	969,319	2,936,809	3,906,128	440,693	349,577	4,696,398
Depreciation	65,277	212,938	278,215	89,565	30,864	398,644
Total expenses	\$ 1,034,596	\$ 3,149,747	\$ 4,184,343	\$ 530,258	\$ 380,441	\$ 5,095,042
						\$ 2,256,238
						435,321
						333,562
						259,549
						182,626
						41,564
						77,267
						50,690
						24,523
						20,597
						79,900
						26,516
						59,618
						17,075
						3,865,046
						428,502

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Cash Flows

	For the Years Ended June 30	
	2019	2018
Cash flows from operating activities		
(Decrease) in net assets	\$ (474,515)	\$ (159,918)
Adjustments to reconcile (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	398,644	428,502
Donated securities	(31,070)	(20,415)
Proceeds from sales of donated securities	31,070	20,479
Realized (gain) on sale of investments	(271,132)	(521,430)
Contribution with perpetual donor restrictions	-	(500)
Unrealized (gain) loss on investments	(433,044)	287,023
(Increase) in		
Accounts receivable	(344,273)	(5,824)
Contributions receivable	(44,100)	(25,600)
Prepaid expenses and other assets	(64,252)	(14,178)
Increase (decrease) in		
Accounts payable and accrued expenses	(28,508)	(18,605)
Accrued salaries and payroll taxes	26,339	(22,214)
Deferred tuition and fees revenue	(103,438)	98,120
Net cash provided by (used in) operating activities	<u>(1,338,279)</u>	<u>45,440</u>
Cash flows from investing activities		
Purchase of investments	(4,724,625)	(4,031,941)
Proceeds from sales of investments	5,147,978	4,144,166
Acquisition of property and equipment	(344,159)	(166,586)
Net cash provided by (used in) investing activities	<u>79,194</u>	<u>(54,361)</u>
Cash flows provided by financing activities		
Contribution with perpetual donor restrictions	<u>-</u>	<u>500</u>
Net (decrease) in cash and cash equivalents	(1,259,085)	(8,421)
Cash and cash equivalents, beginning of year	<u>3,299,671</u>	<u>3,308,092</u>
Cash and cash equivalents, end of year	<u>\$ 2,040,586</u>	<u>\$ 3,299,671</u>

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements June 30, 2019

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

Ackerman Institute for the Family (the “Organization”) is a not-for-profit organization which provides innovative couple and family therapy services through its on-site clinic; post graduate training in couple and family therapy for mental health professionals; and cutting edge research that focuses on the development of new treatment models and training techniques.

Basis of presentation

The financial statements of the Organization are prepared on the accrual basis of accounting.

Net assets

The Organization’s net assets consist of:

Without donor restrictions

Net assets without donor restrictions consist of amounts that can be spent at the discretion of the Organization. The net assets also include those funds that are designated for specific purposes by the Board of Directors.

Board-designated net assets mainly consist of the remaining proceeds from the sale of the building less the purchase and build-out costs for the Organization’s new office space as well as capital improvements to the building. The Organization uses the earnings from the board-designated fund to pay the office condominium common charges each year and other projects approved by the Board of Directors.

With donor restrictions

Temporary donor restrictions

Net assets with temporary donor restrictions consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods.

Perpetual donor restrictions

Net assets with perpetual donor restrictions consist of contributions that are restricted by the donor in that the principal must remain in perpetuity.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2019****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Contributions

The Organization reports contributions as support with temporary donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a designated restriction expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with temporary donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are satisfied within the same fiscal year the contributions are received.

Cash equivalents

The Organization considers highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Investments

The Organization reports investments at fair value in the statement of financial position. The fair value of the investments is based on publicly quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Fair value measurements

Accounting principles generally accepted in the United States of America established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Organization's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Allowance for doubtful accounts

As of June 30, 2019, the Organization has an allowance for doubtful accounts of approximately \$7,000, for the receivables that may not be collectible. As of June 30, 2018, the Organization did not have an allowance for doubtful accounts. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are recorded at cost. It is the Organization's policy to capitalize expenditures for those items in excess of \$1,000. Lesser amounts are expensed. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years. During the 2019 fiscal year, fully depreciated property and equipment totaling \$4,025 were deleted from the accounts of the Organization.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)
June 30, 2019****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Fees for service revenue

Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payers and other services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services.

Tuition payments are recorded as revenue over the term of the course. Deferred revenue represents tuition payments received from students in advance of the commencement of a course.

Rental revenue

Rental revenue is received from faculty members for use of the Organization's facilities to provide private counseling and is recorded when earned.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

In-kind services

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria to be recorded and have not been included in the financial statements.

Summarized comparative information

The financial statements include certain prior-year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2019

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. The Organization's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2019. The Organization routinely assesses the financial strength of its holdings in its investment portfolio. The Organization monitors the collectibility of its receivables on an ongoing basis. As a consequence, management believes concentrations of credit risk are limited.

Not-for-Profit Financial Statement Presentation

During the 2019 fiscal year, the Organization adopted Accounting Standards Update No. 2016-14 (ASU) *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

A summary of the net asset reclassifications required by the adoption of ASU 2016-14 as of June 30, 2017 is as follows:

<u>Net Asset Classifications</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
As previously presented			
Unrestricted	\$ 18,825,835	\$ -	\$ 18,825,835
Temporarily restricted	-	2,935,733	2,935,733
Permanently restricted	-	2,773,433	2,773,433
Net assets, as reclassified			
June 30, 2017	<u>\$18,825,835</u>	<u>\$ 5,709,166</u>	<u>\$ 24,535,001</u>

In addition, in accordance with the adoption of ASU 2016-14, the Organization has also reclassified its 2018 fiscal year net asset classifications.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2019

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through December 17, 2019, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from grants, contributions, tuition, fees and other revenue items.

The following is a summary of the Organization's liquid assets as of June 30, 2019 that are available for general use within one year of the statement of financial position date:

Cash and cash equivalents	\$ 2,040,586
Investments, at fair value	11,571,832
Accounts receivable, net	480,748
Contributions receivable	<u>207,100</u>
Sub-total	14,300,266
Less: net assets with perpetual donor restrictions	<u>(2,773,933)</u>
Total	<u>\$11,526,333</u>

In addition, the Organization also has available a \$1,000,000 revolving line of credit (see note 6) that may be drawn upon as necessary during the year.

Note 3 – Contributions receivable

Contributions receivable consist of the following as of June 30, 2019:

Due in one year	\$ 207,100
Due in one to five years	<u>16,000</u>
Total	<u>\$ 223,100</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2019

Note 4 – Investments

The following is a summary of investments held by the Organization as of June 30, 2019 and June 30, 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities – domestic	\$ 6,481,876	\$ 8,602,692	\$ 6,713,482	\$ 8,525,678
Fixed income	2,361,308	2,478,752	2,030,599	2,040,321
Mutual funds – equities	<u>500,001</u>	<u>490,388</u>	<u>751,325</u>	<u>725,010</u>
Total	<u>\$ 9,343,185</u>	<u>\$ 11,571,832</u>	<u>\$ 9,495,406</u>	<u>\$ 11,291,009</u>

Net investment return consists of the following for the years ended June 30, 2019 and June 30, 2018:

	<u>2019</u>	<u>2018</u>
Realized gain on sale of investments	\$ 271,132	\$ 521,430
Interest and dividends	<u>330,187</u>	<u>434,398</u>
Sub-total	601,319	955,828
Less: investment fees	<u>(73,858)</u>	<u>(76,134)</u>
Total	<u>\$ 527,461</u>	<u>\$ 879,694</u>
Unrealized gain (loss) on investments	<u>\$ 433,044</u>	<u>\$ (287,023)</u>

Note 5 – Property and equipment

A summary of the property and equipment as of June 30, 2019 and June 30, 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Office condominium and improvements	\$ 10,974,325	\$ 10,678,977
Furniture and fixtures	468,325	453,350
Computer and video equipment	<u>487,946</u>	<u>458,135</u>
Total	11,930,596	11,590,462
Less: accumulated depreciation	<u>2,261,341</u>	<u>1,866,722</u>
Total property and equipment	<u>\$ 9,669,255</u>	<u>\$ 9,723,740</u>

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2019****Note 6 – Line of credit**

The Organization has available a \$1,000,000 revolving line of credit which expires January 1, 2021. Amounts borrowed under the line bear interest at the Wall Street Journal Prime Rate less 1.50% per annum. The line of credit contains a restrictive borrowing covenant as outlined in the agreement and is collateralized by a money market account held with the lender for the Organization totaling approximately \$1,000,000.

Note 7 – Endowments and net assets with donor restrictions

The Organization's endowment consists of three individual funds established for specific purposes. Its endowment includes donor-restricted endowment funds. Under the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds, the Organization is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Organization classifies as perpetuity restricted net assets the original value of gifts donated to the permanent endowment.

Perpetual donor restrictions

These net assets represent contributions and bequests made that are restricted to investment in perpetuity. Under the Ruth Perl Kahn Fund stipulations, investment revenue earned on such fund is recorded as net assets with temporary donor restrictions and added to the respective fund balance. In addition, the donor stipulations permit the expenditure of up to 5% of the fair value of the funds to be used for operations. The Board appropriates the expenditure of the temporary restricted investment revenue by the annual budget.

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Notes to Financial Statements (continued)
June 30, 2019

Note 7 – Endowments and net assets with donor restrictions (continued)

Net assets with temporary donor restrictions

Net assets with temporary donor restrictions activity for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Contributions	Investment Return, Net	Net Assets Released from Restrictions	Balance June 30, 2019
CKCC Projects	\$ 19,429	\$ -	\$ -	\$ -	\$ 19,429
Ruth Perl Kahn Fund	1,815,189	-	275,198	(179,456)	1,910,931
Family Project	-	105,000	-	(52,500)	52,500
Schoolman	3,367	-	-	-	3,367
Relational Trauma	63,984	47,000	-	(54,640)	56,344
Scholarship Program	62,044	150	-	(25,000)	37,194
Maslow Scholarship Fund	143,191	-	5,877	(32,650)	116,418
Oppenheim Fellowship	50,000	-	-	-	50,000
Special Needs Project	35,000	-	-	(35,000)	-
Center for Work & Family	1,041	4,990	-	-	6,031
Center for Alcohol & Substance Abuse	6,393	-	-	(1,741)	4,652
Soul Work Conference	-	3,550	-	-	3,550
Substance Abuse	-	5,885	-	-	5,885
Brownstone Fellowship	34,709	-	-	-	34,709
Emergency Fund	3,265	-	-	-	3,265
Adolescent Program	5,259	-	-	-	5,259
Tina Fund	3,000	-	-	-	3,000
Gender & Family	478,173	27,349	-	(50,000)	455,522
General operations	28,000	-	-	-	28,000
Challenge Grant Gift	100,578	-	91,766	(33,260)	159,084
International Training	38,583	-	-	(7,843)	30,740
Foster Care	5,275	-	-	(290)	4,985
Justice Project	51,702	-	-	(40,880)	10,822
Total	<u>\$ 2,948,182</u>	<u>\$ 193,924</u>	<u>\$ 372,841</u>	<u>\$ (513,260)</u>	<u>\$ 3,001,687</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2019

Note 7 – Endowments and net assets with donor restrictions (continued)

The following is a summary of the Ruth Perl Kahn Fund, Maslow Scholarship Fund and the Challenge Grant Gift as of June 30, 2019 and June 30, 2018:

	2019		
	Temporary Restricted	Perpetually Restricted	Total
Ruth Perl Kahn Fund	\$ 1,910,931	\$ 1,773,933	\$ 3,684,864
Maslow Scholarship Fund	116,418	-	116,418
Challenge Grant Gift	159,084	1,000,000	1,159,084
Total	\$ 2,186,433	\$ 2,773,933	\$ 4,960,366
	2018		
	Temporary Restricted	Perpetually Restricted	Total
Ruth Perl Kahn Fund	\$ 1,815,189	\$ 1,773,933	\$ 3,589,122
Maslow Scholarship Fund	143,191	-	143,191
Challenge Grant Gift	100,578	1,000,000	1,100,578
Total	\$ 2,058,958	\$ 2,773,933	\$ 4,832,891

Note 8 – Commitment and contingency

Employee agreement

The Organization is obligated under an agreement with a key employee for three years, which commenced July 23, 2018. The agreement provides for certain termination provisions.

Government programs

Government supported programs are subject to audits by the granting agency.

Note 9 – Related party transactions

A member of the Board of Directors is a principal in a brokerage firm that manages several of the Organization's investment funds. Nominal fees in the nature of cost recovery were paid to the brokerage firm during the 2019 and 2018 fiscal years. Furthermore, a second member of the Board of Directors is in senior management of a brokerage firm that functions as a custodian for a portion of the Organization's investment funds. Nominal fees in the nature of cost recovery were paid to the brokerage firm during the 2019 and 2018 fiscal years.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2019****Note 10 – Retirement plans****403(b) plan**

All eligible employees of the Organization can participate in the 403(b) savings plan (the “savings plan”). An eligible employee may contribute a portion of his/her compensation in accordance with Internal Revenue Service regulations. The Organization matches the participants’ contributions to the savings plan up to 10% of the individual participants’ contributions after one year of service. The savings plan expense for the years ended June 30, 2019 and June 30, 2018 was \$21,776 and \$13,250, respectively.

Defined contribution plan

The Organization also has a defined contribution retirement plan (the “retirement plan”) for one current employee. The Organization closed this plan for new employees and established the 403(b) plan above. The Organization does not contribute to the retirement plan.

Deferred compensation plan

The Organization maintains a non-qualified 457(b) deferred compensation plan (the “plan”) for a former key employee. For the year ended June 30, 2018, the Organization contributed \$15,000 to the plan. There was no contribution for the 2019 fiscal year. The assets of the plan remain assets of the Organization until paid to the former key employee.

Note 11 – Legal proceeding

The Organization is currently involved in a legal proceeding arising in the ordinary course of business. The Organization believes it has a defense for the proceeding and is vigorously defending the action. In the opinion of management of the Organization, the resolution of the matter will not have a materially adverse effect on the Organization’s financial statements.

Note 12 – Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation within the meaning of Section 509(a)(2) of the Code. Donors are eligible to receive the maximum charitable tax deductions available for public charities under the Code.